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European Union

Agricultural Situation

EU Promotion measures for apples & citrus fruit

2000

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Office of Agricultural Affairs

U.S. Mission to the European Union

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Report Highlights:

The EU finances domestic promotion programs for a variety of products. Under the 2000 budget, 3 million Euro for export promotion has been approved.

Includes PSD changes: No
Includes Trade Matrix: No
Unscheduled Report
Brussels USEU [BE2], E2

Promotion Measures for Apples & Citrus Fruit

Community financing that is paid through Member States to promote apples & citrus fruit and grape juice is included in chapter B1-380 of the EU budget. Other promotional funds for olive oil, flax and nuts are paid directly to trade/producer organizations by the Community and are cited in chapter B1-381. 1998 & 1999 funds in chapter B1-380 are for promotional efforts within the European Community only. Under the 2000 budget, the inclusion in chapter B1-380 of 3 million *€* for export promotion programs has been approved. The EU finances between 40 and 100% of the cost of the promotion programs.

EU Budget Financial Year 2000 - million <i>€</i>		
Chapter B1-380 (Promotion Measures- Payments by the Member States)		
Appropriations 2000	Appropriations 1999	Actual Expenditure 1998
43	53	35.4
Chapter B1-381 (Promotion Measures - Direct Payments by the EC)		
15	18	9.6
58	71	45

(Source: Official Journal L 40 - 2000)

Actual Expenditure 1998, in million Ecu, for promotion paid through Member States - Chapter (B1-380)							
By Member State						By Product	
Belgium	1.3	France	6.8	Austria	1.3	Apples & Citrus	5.2
Denmark	0.4	Ireland	0.2	Portugal	0.2	Grape juice	5.8
Germany	5.6	Italy	3.3	Finland	0.4	Table Olives	0.1
Greece	0.3	Luxembourg	0.1	Sweden	0.4	Milk & Milk Products	8.0
Spain	5.3	Netherlands	5.6	U.K.	4.3	Beef/Veal	10.0
						Live Plants	6.3
TOTAL: 35.4							

(Source: European Commission - 28th Financial Report)

Actual Expenditure 1998, in million Ecu, for promotion paid directly by the EU (Chapter B1-381):

Olive oil: 6.9, Fibre flax: 0.3, Nuts: 0.3, Quality (logos): 2.1, **TOTAL: 9.6**

Legal basis:

- Commission Regulation 481/1999 lays down general management rules for promotional programs
- Council Regulation 2702/1999 on measures to promote agricultural products in third countries
- Council Regulation 1195/90 on measures to increase the consumption and utilization of apples
- Council Regulation 1201/90 on measures to increase the consumption of citrus fruit
- Council Regulation 2282/90 lays down detailed rules for increasing the consumption and utilization of apples and the consumption of citrus fruit
- Council Regulation 827/87 on measures to increase the consumption of grape juice
- Art. 14 of Regulation 1035/72 - participation in the financing of measures intended to develop and increase the consumption and utilization of nuts and/or locust beans

Program selection procedure & funding:

Commission Regulation 481/1999 standardizes the financial management rules for promotional measures. The Commission selects and approves applications for promotional program funding submitted by the Member States. Contracts are concluded between the parties concerned and the competent national authorities within 30 calendar days of the Commission's decision. In order to guarantee satisfactory execution of the contract, contractors must lodge a security equal to 15% of the maximum Community financial contribution. Advance payments and various intermediate payments may not exceed 75% of the total Community contribution. Applications for payment of the balance must be submitted within 4 months of completion of the measures covered by the contract.

Administration of promotional activities:

Promotional activities are administered in different ways:

- direct administration: the relevant departments of the Commission are directly responsible for managing the programs
- indirect administration: the Commission is responsible only for getting the programs off the ground after which the competent authorities in the Member States take over

Apples and Citrus fruit (indirect administration):

Promotion campaigns to increase the consumption and use of apples and citrus fruit are annual programs. The Community contribution amounts to 60% for the promotion of fresh apples & citrus fruit and to 50% for the promotion of processed apples.

Promotional measures selected for the 1999/2000 marketing year		
Member State	Total (in î)	Community Contribution (60%) (in î)
Belgium (fresh apples)	133,437	80,062
Denmark (fresh apples)	150,297	90,178
Germany (fresh apples)	538,862	323,317
Spain (fresh apples)	280,095	168,057
Spain (citrus fruit)	2,695,748	1,617,449

France (fresh apples)	2,935,812	1,761,487
Italy (citrus fruit)	819,973	491,984
Netherlands (fresh apples)	447,895	268,737
Austria (fresh apples)	358,228	214,937
TOTAL	8,360,347	5,016,208

(Source: European Commission website)